

ORIGINAL

Decision No. 2268

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

— 00 —

In the matter of the application of Arcadia Crystal Water Company, a corporation, for permission to remove certain water mains of said company from certain of the public streets of the City of Arcadia and to enter into a certain agreement with the said City of Arcadia in connection therewith.

Application No. 2184.

S. J. Wilson for Applicant
Walter F. Dunn, City Attorney,
for City of Arcadia.

BY THE COMMISSION:

OPINION.

Arcadia Crystal Water Company applies for authority to remove certain of its water mains from the streets of Arcadia and contract with the City of Arcadia to serve city water to its patrons.

Applicant is engaged in serving water from a pumping plant to about 50 domestic consumers and about 75 irrigation consumers in and about the City of Arcadia, Los Angeles County.

Most of applicant's patrons are its stockholders. All patrons who are not stockholders have signed a formal consent that the pipes be removed and service to them be discontinued. The holders of more than two-thirds of applicant's stock also unite in such a consent, and that the agreement with the City of Arcadia be executed. No stockholder or consumer offers any objection.

The pumping plant was constructed to serve 360 acres of land, and interests in the plant were purchased by those buying the lands, in proportion to their land holdings purchased. The plant is now owned by applicant and by land purchasers owning varying interests in it, all of whom are consumers of water but most of whom do not own stock in applicant corporation. All of the owners who are not stockholders have signed the consent above referred to.

The question arose at the hearing as to what interest if any, is vested in Alfred L. Bartlett as receiver appointed by the Superior Court of Los Angeles County in the case of C. B. Reas vs. Victor Clemence, et al., No. B5858, involving title and possession of some of the said lands and of rights in the pumping plant. The receiver was appointed to operate the pumping plant and see that purchasers of land received water during the litigation. By authority of court he long since turned over the possession of the pumping plant to The 808 Land and Water Company, by whom it was subsequently conveyed to applicant.

The receiver has not as yet been discharged. Since the hearing the receiver has filed formal consent to removal of pipes and requests favorable action on the application. The document is accompanied by a certified copy of order of Court authorizing receiver to consent to removal of pipes and to join in execution of agreement with the city.

The City of Arcadia is now completing a municipal water system, its mains paralleling those of applicant. That portion of the city system designed to serve the territory now served by applicant can be served from applicant's plant apart from the remainder of the city system.

The new rate which the city expects to establish will be approximately \$1.00 per 10,000 gallons for water served for domes-

tic use and 1¢ per inch per hour for water served for irrigation, used, a rate which its city engineer has determined after careful investigation will produce to the city an adequate return, after allowing for interest on bonds, depreciation and other charges. Applicant's rates are \$1.50 per 10,000 gallons and from 2 to 3 cents per miner's inch per hour depending upon fluctuating cost.

The city having issued bonds for extensive street improvement is now engaged in improving streets under which applicant's mains are laid. The grades of these streets are to be lowered to a point below applicant's mains. The cost of lowering the mains it estimates at \$3,000. It feels that it cannot serve water at the proposed new city rates and that it cannot well finance the lowering of its mains. Its patrons and stockholders therefore wish the city service, but some of them have requested the officers of applicant to arrange that applicant's pumping plant be retained ready for service until the efficiency of the new city system is proven. The application is the result of a compromise with the city upon the question of the power of the city to compel the lowering of the mains.

An agreement has been entered into between the applicant and the City of Arcadia, dated March 2, 1916, made subject to the approval of this Commission and two-thirds of applicant's stockholders, providing that applicant shall remove its mains at its own expense and that the city's system shall be laid in applicant's territory in such manner that that portion of the city's system can be isolated from the remainder of the city's system and served direct from applicant's plant, and that in case of need it may be so served. It also provides that applicant's consumers shall be served with water at the regular rates established by the city.

O R D E R.

The Arcadia Crystal Water Company having applied to the Railroad Commission for authority to remove its water mains from the public streets of Arcadia and abandon service, and to enter into agreement with the City of Arcadia providing for service to applicant's patrons, and a public hearing having been held thereon, and it appearing that applicant's patrons will probably receive a lower rate from the city than they have received from applicant, and most of applicant's patrons having consented in writing to said removal of pipes, the said patrons so consenting including all of applicant's patrons who are not holders of stock, and it appearing to be for the public interest that the application should be granted,

IT IS HEREBY ORDERED that Arcadia Crystal Water Company, a corporation, be and it is hereby authorized and empowered to remove from the public streets of the City of Arcadia all of its water mains, pipes or conduits laid therein and to abandon service to its patrons as soon as said patrons are adequately served with water by the City of Arcadia, and the Commission does hereby approve its action in entering into contract with the City of Arcadia under date of March 2, 1916 in the form of contract attached to the application, said city agreeing in said contract to serve domestic and irrigation water from the municipal water system of said city to patrons of applicant at the regular schedule of rates to be established for service of water to the inhabitants of Arcadia and vicinity.

The authority hereby granted is upon the following conditions:

1. City of Arcadia shall assume and discharge all of the obligations now resting by law upon applicant, and shall within 20 days after the date hereof file an instrument in writing with the Commission in form approved

by the Commission, assuming said obligations.

2. Applicant's pumping plant shall be kept intact in condition to promptly and adequately serve water to its present patrons through that portion of the system of said city which will convey water to applicant's patrons for a period of six months after the date hereof.

3. The authority hereby granted to remove said pipes and mains shall extend only to such parts thereof as are removed within 60 days after the date hereof.

Dated at San Francisco, California, this 21st
day of April, 1916.

Max Thelen
H. L. Ireland
W. L. Gordon

Commissioners.